

MONTANA ALUMINUM INVESTORS CORP.
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(213) 624-0637

October 27, 1988

John R. Lucas, Esq.
ARCO
Box 2679, T.A.
Los Angeles, California 90051

RECEIVED

J. R. LUCAS, R.

Dear John:

Enclosed is a copy of the citation and related transmittal letter to ARCO pertaining to the opacity violation we received from the EPA this summer.

Summarized below are the remaining issues between our respective companies which need to be resolved. For your reference, I have noted in parenthesis the dates of our correspondence with ARCO on these subjects. Presumably this material is in your files. If not, I will provide additional copies.

- o Employee Relations Management of ARCO have indicated they will no longer pay survivors' pensions to CFAC personnel even though these pensions were previously paid by ARCO. Currently there is one claim for an \$80 a month payment outstanding. However, this issue may not be resolvable by us as the leadership of our union has referred the claim to the legal department at the union international headquarters.
- o Floyd George has questioned whether we had complied with Claude Goldsmith's letter of September 10, 1985. We previously have provided a copy of the profit sharing agreement with our union to Charlie Biset, Claude Goldsmith, Floyd George and you. We will need a written response from ARCO of our compliance (5/15/86, 1/29/88, 5/14/88, 10/14/88).
- o New ARCO personnel in employee benefits management have indicated they do not intend to continue to reimburse CFAC for disability pension claims filed through June 30, 1991. This issue was covered in the agreement between Jim Morrison and myself of August 1986. (8/15/86, 7/13/87, 12/31/87, 2/18/88, 5/5/88, 6/19/88, 6/24/88, 7/6/88, 8/26/88).
- o We have completed the Asbestos Encapsulation Program at a total cost of \$310,000. ARCO personnel reviewed the program at the site and ARCO has been provided with analysis and documentation regarding the program. We already have billed ARCO for this expenditure. (12/21/84, 5/14/87, 2/17/88, 3/8/88, 3/25/88, 4/13/88, 7/8/88, 8/26/88).
- o CFAC has received notice that ARCO, CFAC and a number of other companies have been identified as responsible parties for a hazardous disposal site in Rathdrum, Idaho. Since CFAC has never used the site, we will require an acknowledgement from ARCO that we are not liable for future costs of cleanup. (8/19/88, 8/26/88).
- o John Bischof's opinion of September 17, 1985 must be updated to the current period. The attorney for the institution financing our repayment to ARCO has provided the language sent you on October 14, 1988.

Your proposal and draft for the repayment to ARCO and resolution of the Escrow Agreement is acceptable to us. Obviously the Bank of America escrow officer also must agree.

Yours very truly,

Brack Duker
att.

